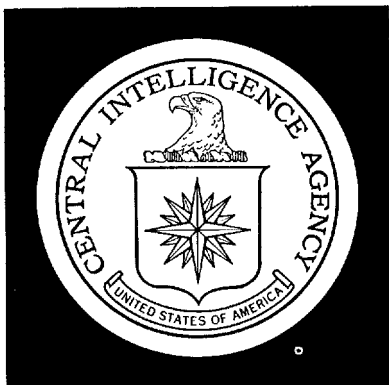


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Czechoslovakia: The efforts of conservative extremists to gain a foothold in the Slovak party leadership--the foundation of party chief Husak's power--have been stalled.

With Husak in attendance, a Slovak party central committee plenum on 5-6 February approved personnel shifts in its top organizations, but no influential hardliners, particularly Vasil Bilak, were elevated to the presidium or secretariat. Moreover, some moderate holdovers from the Dubcek reform period in 1968 retained their posts. As in the case of changes in the central party leadership in Prague, however, Husak was forced into some tortuous compromises, including the demotion from the presidium of a close colleague, Slovak economist Viktor Pavlenda.

New Slovak party first secretary Jozef Lenart, who gained a reputation as a "decent" Communist while serving as premier under Novotny, has indicated that he stands squarely behind Husak and his policies. In his maiden speech, Lenart strongly criticized those conservatives seeking an even more orthodox regime. In a plea for moderation, Lenart stressed that the party cannot just rule, but must begin a concerted campaign to make socialism more palatable to everyone.

Lenart emphasized such basic ideas as the need for honesty in party politics, freedom of expression, and a sensitive approach to the intellectuals. His conciliatory remarks suggest that the Husak regime is trying to convey the impression that the beginning of a period of gradual reform is not far away. Lenart's comments were directed primarily to the situation in Slovakia, but they probably reflect Husak's views and thus may be relevant to the entire country.

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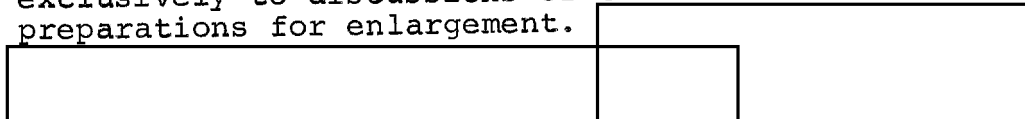
European Communities: The Council of the European Communities (EC) in a meeting ending on 7 February resolved the difficulties that had blocked final agreement on a plan for future financing of the organizations.

In a 22-hour session, the foreign, finance, and agriculture ministers of the six countries agreed on a compromise formula for the budgetary powers of the European Parliament. Beginning in 1975, the Parliament will have the final say over the small portion of the budget that covers administrative expenditures, but the Council will be free to reject any parliamentary amendments to the rest of the budget.

The Six had agreed in principle last December that the Parliament should have the final say on the EC's entire budget after 1975. At the first Council meeting of 1970, however, the French questioned this portion of the financing arrangement, objecting to its infringement on national sovereignty. With the recent compromise, the French have won significant limitations on the Parliament's budgetary role.

The Council has also agreed to common marketing policies for wine and tobacco--a condition laid down by the Italians for their approval of the financing arrangements. The decisions on wine and tobacco, along with the resolution of the question of budgetary powers, will permit the individual governments to move for national parliamentary ratification of the financing package.

The agreement cleared away the remaining obstacles to EC preparations for accession negotiations with the UK. Belgian Foreign Minister Harmel--the current Council president--said that the Council meetings from now until the summer will be devoted exclusively to discussions of the EC's future and preparations for enlargement.



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Tanzania: President Nyerere has announced that the government will take over the country's entire wholesale trade network this year.

Nyerere made the announcement on 5 February, the third anniversary of the Arusha Declaration in which the government nationalized most of the foreign-owned assets in Tanzania. The takeover, however, will mainly affect the Asians who have long dominated the country's wholesale and retail trade. Because Asians are heartily disliked by most Africans, it will probably be popular politically.

Nyerere made it clear that the government intends to move slowly in carrying out its decision in order to avoid disrupting the wholesale trade any more than necessary. The traders will probably be given the choice of selling their interests to the State Trading Corporation or accepting some sort of partnership with the corporation.

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Costa Rica: Cabinet appointments announced thus far by president-elect Jose Figueres represent a balance between experience and "new blood."

Most prominent internationally of the new appointees is foreign minister-designate Gonzalo Facio Segreda, who has been in government service most of the past 20 years, primarily in the field of foreign relations. He has twice been ambassador to the US and the OAS and played an important role in marshaling support within the OAS for US actions during the 1962 Cuban missile crisis. Although he has complained that current US policy makes no distinction between democratic governments and dictatorships in Latin America, in the past he has worked well with US officials.

Fernando Valverde Vega, who will be minister of public security, has previously served in that and other government positions. The newly created Ministry of Culture, Youth, and Sports will be headed by Alberto F. Canas Escalante, a lawyer and journalist who for several years was permanent representative to the UN. Mario Quiros Sasso, the new minister of transportation, has previously served as acting head of that ministry, as well as in several other cabinet positions. Other appointees, while new to government service, are experienced in their respective fields.

Figueres clearly believes he is in a strong position following his landslide victory in the elections on 1 February. He has assembled a cabinet apparently well qualified in background and experience, but once the stimulus of the election results wears off, he may face pressure from young elements in his party seeking evidence of a willingness to try new approaches in dealing with Costa Rica's problems.

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